

IN THE
INDIANA TAX COURT

NO.49T10-9309-TA-70

TOWN OF ST. JOHN, et at.,)
)
Petitioners,)
)
v.)
)
DEPARTMENT OF LOCAL)
GOVERNMENT FINANCE as successor)
to the STATE BOARD OF TAX)
COMMISSIONERS,)
)
Respondent.)

MONTHLY REPORT 37

As successor to the State Board of Tax Commissioners, this is monthly report thirty-seven from the Department of Local Government Finance under the Court's order dated May 31,2000,729 N.E.2d 242,247. The report explains the Department's activities during June 2003 to implement the Court's order.

Lake County Reassessment

Employees of the Department met with Lake County contractors June 5,2003. Cole Layer Trumble provided the Department with a monthly progress report as well as an updated executive summary. Summaries will be updated to include an equalization status column. The summary will now track an EQ1 and an EQ2. The first study will be perform by CL T, and Crowe Chizek will perform the second study. *See attached updated Executive Summary .*

CLT and Crowe will continue to work together to ensure that the ratio studies and neighborhood factoring reflect equitable assessed values. Crowe also continues its research in determining the amount of new construction and owner changes between March 1, 2002, and March 1, 2003. All parties continue to discuss possible imaging solutions for the county once reassessment is complete as well as strive toward a data conversion solution once the project is complete and the data is turned over to Lake County. The project is still under budget and on schedule for mailing of first series of Form 11s by October 1, 2003.

The Department also met with CLT to negotiate the appeals amendment to the original contract pursuant to REA 1535. The Department and CLT have signed the amendment, and the contract is in the state signature chain. The next monthly meeting will be held July 10, 2003, in Lake County. The project manager continues to confer weekly with the Lake County office and provides updates on the ongoing progress.

Software Certification

The Department of Local Government Finance will not approve final budgets, rates and levies for counties that have not provided final certification of software programs. Department officials continue to meet with representatives from two software companies, in an effort to work through certification issues at the state level. Most counties (69) have now certified software at the county level. There are, however, ongoing concerns about the performance of software statewide.

Provisional Billing

The Department's rules panel approved, and the Department adopted, an emergency rule that will govern the provisional billing statements as addressed in HEA

1219 on June 19, 2003. A copy of the final rule can be found on the Department's website, <http://www.in.gov/dlgf>. The rule requires the county treasurer and auditor to file a petition seeking approval to issue provisional statements with the Department. The rule also allows a county to seek permission to bill the taxpayers at 50 percent of last year's total bill, and, in accordance with REA 1219, to seek permission to bill at a higher percentage under certain circumstances. -It also permits counties to bill new construction of improvements placed on the real property after March 1, 2001, and before March 2, 2002 upon certain conditions. The rule has a provision to permit county officials to adjust provisional statements when taxpayers demonstrate obvious errors, such as when a bill is sent to the wrong owner. So far, eleven counties are taking steps to issue provisional bills: Allen, Brown, Clark, Crawford, Kosciusko, Lake, Madison, Noble, Porter, St. Joseph and Wayne.

Budgets

The Department has certified nine county budgets for assessment year 2002: Vanderburgh, Monroe, Wells, Hamilton, Howard, Jennings, Marion, Wabash and Adams. Several more counties are nearly complete and awaiting final adjustments.

County Ratio Studies

The Department has approved thirty-nine (39) county ratio studies to date: Adams, Bartholomew, Cass, Clinton, Delaware, Dubois, Elkhart, Floyd, Fulton, Gibson, Hamilton, Hancock, Harrison, Howard, Jefferson, Jennings, Johnson, Kosciusko, Marion, Marshall, Miami, Monroe, Montgomery, Morgan, Newton, Ohio, Pulaski, Putnam, Ripley, Rush, Scott, Switzerland, Tippecanoe, Tipton, Vanderburgh, Wabash, Warren,

Warrick and Wells. This approval allows the county assessor to issue Form proceed forward with supplying the county auditor certified values.

Statewide Equalization Issues

The Department continues its efforts in-house and with outside experts to perform a statewide property tax reassessment equalization project, together with the Indiana Fiscal Policy Institute. The Department is also working with the Legislative Services Administration to gather data from the counties that have completed the reassessment in order that the effects of the reassessment can be analyzed. The State as well as state certified software vendors have been providing input to Crowe Chizek, as assessment software experts, and the IF PI regarding updating the critical field list. This study will not only help to provide an independent look at the job the counties did but also will provide information and recommendations on how to go forward.

Homestead Credit Correction

The Department announced early in June, that it had caught a problem in the Formula for calculating the homestead credit. The effect of the problem was to reduce the homestead credit, so that homeowners were billed too much. The eight counties that had already billed will either re-bill for the spring installment or re-issue bills in the fall with the correct credit. The Department caught the mistake before it affected many counties. The Department will reprogram software at the state level and pay for the costs of postage and printing for reissued bills. The solution benefited taxpayers of Indiana and did not require a massive reprogramming change at the county level. The Department continues to offer support and guidance to counties as they work through this fix. *See attached news release.*

Lake County Steel Mills

The Department of Local Government Finance is responsible for assessing all industrial real property in Lake County exceeding twenty-five million (\$25,000,000) in assessed valuation. The Department adopted rules governing this procedure April 29, 2003. The Department is in the process of gathering the data necessary to make an equitable assessment.

Survey

The assessment division issued a June reassessment survey early in the month. While the results have not yet been tallied, the Department is keeping abreast of counties' progress in the reassessment on a daily basis.

Respectfully submitted,

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